Cable Television

1980

Investment Opportunities in a Growth Industry

Warburg Paribas Becker

TABLE OF CONTENTS

		Page
Section 1 -	General Information.....	
	History and Growth.....	1
	Operation of a CATV System.....	2
	Pay-TV.....	2
	Home Security.....	3
	Technology: STV, MDS, DBS.....	3
	Other Cable Services.....	4
	Financial Profile.....	5
	Ownership.....	6
	Regulation of Cable Communications Systems.....	7
	Financial Considerations.....	10
Section 2 -	Industry Financials.....	12
	Analysis of 15 Public U.S. CATV Companies.....	
Section 3 -	Lender Survey.....	14
Section 4 -	Warburg Paribas Becker Services.....	15

General Information

CABLE TELEVISION

History and Growth

Cable television was originally conceived in the early 1950's to fulfill the need for quality television reception in a large number of smaller communities where local topography or the earth's curvature blocked adequate signal reception. In more recent years, CATV has expanded into larger metropolitan areas through the offering of pay television programming and to correct signal interference caused by tall buildings.

Today, basic CATV services include signals of all three national television networks, independent and educational VHF and UHF stations and FM radio stations. The availability of additional programming has grown with the use of satellite transmission, which facilitates pay-TV, independent telecommunications stations, e.g., Ted Turner's WTBS, national sporting events and children's, religion, news and public affairs programming. Two-way cable service has opened up new opportunities for home security systems, electronic games, even shopping by cable.

The CATV industry has grown substantially since its inception. According to the Television Factbook, Vol. 49, 1980 edition, and other industry sources, on January 1, 1952, there were 70 operating systems servicing 14,000 subscribers. In 1960, there were 640 systems serving 650,000 subscribers. In 1970, there were 2,490 systems serving 4,500,000 subscribers, and at the start of 1980 there were approximately 4,225 systems serving an estimated 14,000,000 subscribers. By year end 1980, according to Anthony Hoffman, cable analyst at A.G. Becker, there will be over 4,500 systems serving 19 million subscribers. This represents a compound average growth rate of approximately 29% per annum for the past 28 years.

According to a study done by "Broadcasting" magazine, by 1980, more than 60% of all TV-households subscribe to basic cable service in 14 of the 100 biggest TV-viewing markets in the U.S. Twenty markets have cable TV penetration in over 50% of TV viewing households. The 10 markets with the most cable households are: New York, Los Angeles, San Francisco, Philadelphia, Pittsburgh, San Diego Wilkes Barre, Seattle, Cleveland and Boston. San Diego has the highest penetration of the major cities with cable in 38% of TV-viewing households, while Palm Springs at 99% represents the market with the highest penetration, according to Arbitron.

While the industry has historically been typified by small, individually-owned systems, in recent years it has undergone a certain amount of consolidation, a trend which is expected to continue. It is estimated that the ten largest CATV companies now own and operate systems which, in the aggregate, have over 6.9 million basic subscribers. The twenty largest operators account for over 65% of the industry's current total basic subscriber base, WPB estimates.

Operation of a System

A cable television system starts with a signal survey using highly sensitive electronic instruments to find a favorable receiving location, such as a mountaintop or tall structure. Specially engineered antennas are installed to receive the television signals from the air and pass them to an electronic control center or "head-end". Here the signals are amplified and converted to cable channel frequencies. A main or "trunk" line then carries the signals to smaller feeder cables serving a city block or other comparable clusters of homes. These lines are generally attached to public utility poles, although many systems have been partially or completely built underground. Individual connections or "drop wires" lead from the feeder cable to the subscriber residence and are then connected to the back of the customer's set. Cable distribution plant and installation wiring is similar in appearance to telephone facilities.

Many of the existing systems have a capacity of at least 12 channels; most recently built systems have 20 channels. With the advent of new technology, up to 58 channels are technically feasible on a single cable. The use of multiple cables to expand channel capacity has been used in a small number of present systems although most bids in major cities involve the use of two or more cables.

Similarly, most present systems operate in a single direction, i.e. sending signals from the head end or local studio to subscribers. In the future, two-way communications capacity will be an essential part of cable service.

Pay TV

The distribution of home entertainment packages by satellite has caused a major change in the cable television business. Today, 6.9 million viewers, over 45% of the cable audience, also views pay TV on one or more separate channels. The annual FCC report shows that in 1978, over 1/8 of the revenue generated by cable systems came from pay cable. Today, that percentage is closer to 25% according to Anthony Hoffman. For an additional monthly fee, the subscriber can watch special programming which consists of current movies, sporting events and special programs. Pay TV programming is purchased from an independent supplier, with two companies, Home Box Office, a subsidiary of Time Inc. and Showtime, a joint venture of Teleprompter and Viacom, Inc. currently providing programming to about 70% of the present pay TV subscribers. Other present and potential entrants in the pay arena include Warner's Movie Channel, Cox-Comcast-Daniels' Rainbow, and Premiere, the latter venture backed by the Getty Oil Company and several major motion picture companies.

Home Security

With the present thrust of new franchise development in CATV being major metropolitan areas, it is logical that one of the most important services to be offered will be burglar/fire/medical alarm facilities. These services require a fully interactive cable TV system capable of bi-directional communications and considerable modification to normal bi-directional plant design is necessary to provide for redundancy of equipment at the head end as well as for early detection of system malfunctions. Due to the paucity of operational bi-directional plants and lack of off-the -shelf hardware to provide this service, only a handful of systems are now providing the service and most consider such projects as tests. Nevertheless, in the future such services will be offered every subscriber in new major market systems. In view of cable systems' unfamiliarity with this type of service, it is expected that operators will initially seek to establish joint ventures with existing alarm companies to gain first hand knowledge of the complexity of installation procedures, routine maintenance, alarm verification techniques as well as legal issues involving liability for loss in the event of system failure.

Technology: STV, MDS, DBS

As CATV offers a technological challenge to commercial broadcasting, there are several alternative approaches to the delivery of pay television signals which are now in use. Subscription Television (STV) is the name given to a service which is carried over the signals of commerical UHF television stations. STV programming is transmitted in a scrambled mode and decoded by converters attached to viewer's sets. Although avoiding the heavy investment in fixed plant indigenous to cable television, STV converter boxes are more expensive than their CATV counterparts and a UHF station must be owned (or time leased on one). The present economics at a monthly charge of $19.00/subscriber suggest achievement of financial break-even at a level of around 50,000 subscribers; equivalent to the sixteenth largest CATV system in the United States.

STV has several inherent limitations versus CATV. First, it is a single-channel, one-directional service limited by FCC regulations to the prime time (evening) hours. Installation of service is not significantly easier or cheaper than a cable hookup because of the need to tie in special UHF antennas to the viewers present antenna system. The monthly fees charged subscribers are generally higher than a combination of basic cable and a pay television service (presently about $17.00/month) and often substantially higher installation fees and/or converter deposits are required for STV. And finally, STV is susceptible to theft of service by those who have figured out how to decode the signal or have purchased illegal decoders from those who have.

Given the most recent experience of STV in competition with cable television in several markets, it appears most likely that it will thrive in areas not offered pay television service via cable, but will be unable to compete head-to-head in areas passed by cable. Due to political, physical and economic problems which will delay cable's entry into some markets, an opportunity currently exists for STV in most of the country's top forty markets.

Another method currently in use for the delivery of pay television programming is Multipoint Distribution Service (MDS). MDS is a service which is transmitted over a single channel low power, omni-directional microwave signal. Subscribers are provided with special antennas and receivers which process the signal for presentation on an ordinary television set. Being a microwave signal, MDS has more limited range than STV. Also the relatively high cost of a single antenna installation requires that it be applied against several subscribers who are hooked up via an internal cable.

Like STV, MDS requires a broadcast license, is a single channel service, can communicate in only one direction and generally costs subscribers more than the present charage for basic and pay cable. Since high density metropolitan areas will all eventually be wired for cable television, MDS is regarded as a time-limited competitor to cable television. MDS usage has been limited to the downtown areas of major cities, yet has managed to gain about 500,000 subscribers with fairly wide geographical distribution.

One service which has engendered considerble public comment is the Direct Broadcast Satellite proposal. As envisioned in its filing with the FCC, Comsat proposes a multi-channel pay television service in the as yet unused twelve to fourteen gigahertz microwave band. DBS signals would be scrambled and reception would be by small (three foot) dish antennas and appropriate electronics to feed television sets. Monthly charges in a range slightly above STV and MDS are anticipated, since the cost of the receiving equipment is anticipated to be well above that of the alternatives. A plethora of regulatory hurdles must be cleared before such a service could be started and satellites for this purpose must be designed, built and launched successfully. All of which suggests a 1986 or 1987 start date, at which time it is estimated that nearly 40% of the United States television households will be subscribing to pay television in one of the other three formats.

Other Cable Services

Local Programs - Some cable operators originate programs of local interest which cover such topics as City Council meetings, parades and home-town news, a function which television stations of the larger cities are not able to perform for each of the smaller communities in their coverage areas. Sometimes, local cable-casters also originate entertainment, eduction, public affairs, local business and children's programming.

Advertising on the local origination channel is permitted and approximately 70% of all systems do accept some advertising. Although expected to become more important as the industry matures, advertising revenues will account for only about 5% of gross revenues for the industry in 1980. National network advertising over cable systems will grow more rapidly than local. Already several major, advertising supported, cable network services are operational; ESPN (Sports), the USA network (Sports and Children) and CNN (News); while many others have been announced but are not yet on the air.

Public Access Programming - Another use of available channels, one which the FCC has attempted to promote, is "public access programming." The concept of such programming is that any individual or group within a community should have an opportunity to produce and exhibit its own programming on a designated cable channel. The cable operators' responsibility in this area is simply to make available a modest complement of production equipment and a channel on which to transmit such programming. While in several instances claims of obscenity or slander have been raised against specific programs, evolving federal and state law is tending to insulate the cable operator from responsibility for access programming. The Supreme Court in April 1979 struck down the public-access obligation on a federal level, giving cable operators somewhat more authority to choose from among programs that might be of most value and interest.

Automated Signals - All CATV systems provide some automated data to subscribers. In its most rudimentary form, such a channel might give time and weather information on video with a background music on audio. More sophisticated versions also provide such services as AP or UPI news wire, delayed stock ticker, daily program schedule as well as a community bulletin board.

Financial Profile

The financial profile of an operating CATV system is similar in many respects to that of broadcast stations. The high initial capital investment to construct a system is justified by the stable and growing revenue stream, a rather high percentage of which is left as a predictable pre-tax cash flow. The high capital component provides rather high depreciation and amortization charges as well as a large investment tax credit which shelter a large proportion of this cash flow from taxes. Further reductions in current taxes are provided by relatively short depreciation lives on CATV plant which have been accepted by the IRS.

Industry revenues are produced largely by basic monthly charges which now average approximately $8.00 per month. The very profitable additional pay television services now available in most systems are accounting for 25% to 30% of total revenues for most CATV multiple systems operators; a ratio expected to rise toward an equal contribution with basic by the end of the decade. Large initial installation fees, which are part of the rate

structure of most systems, are often waived as an inducement to take the service, and as such constitute a small revenue component for most operators. Likewise, advertising in the industry is largely at the embryo stage due to the pressures of tiered pay television marketing, new franchise applications and new construction.

Operating costs in this industry have shown a predictable response to inflation but the most important element in the year-to-year increase for most companies has been the increase in cost associated with the dramatic rise in pay television revenues. Cable television operators book the entire monthly charge for pay television as revenues, even though 40% to 50% of that total is merely passed on to the program distributor (HBO, Showtime, etc.). Thus operating margins were affected only in slightly by the dramatic increases in revenues shown in 1978 and 1979. The cost per mile of plant has crept upward over the years, as the transition from 20 channel to 35 channel and now 40 channel capacity has become the norm. But average depreciation lives (for book purposes) have been lengthened, reflecting the increased reliability of the current plant, thus the net effect on book depreciation has been moderated.

Interest costs in the last half of the 1970's began to show greater stability as floating rate bank debt was converted into fixed rate term loans with banks and other institutional lenders. In recent history, several companies have placed equity with the public as an alternative to the placement of debt at today's high rates, thus keeping interest costs below the levels which might have resulted from the rapid pace of new construction. For many companies, capitalization of interest will be a new technique which will improve reported earnings.

New accounting rules will also play a major role in the financial reports of those companies most deeply involved in new construction. No longer will it be possible for companies to capitalize the operating losses of new systems for a specified period (usually 18 months) or until they reach a certain saturation level (25%). Thus companies involved in a few very large projects may sustain relatively wide fluctuations in reported earnings as these systems begin operation.

Ownership

Outside of the independently owned CATV companies, there are currently substantial ownership interests held by several other industries. Of the nearly 4,000 systems operating in the industry, by the end of 1979, 30% were owned by broadcasters, 18% by program producers and distributors, 13% by newspapers and 11% by other publishing interests.

Using another form of measurement, approximately 30% of the industry's total number of subscribers are in systems that are owned by companies whose stocks are publicly traded.

Regulation of Cable Communications Systems

Cable communications systems are regulated by federal, several state and local regulatory authorities.

Cable communications has many similarities to a utility; systems operate under franchises granted by state and local governments, use public right-of-way for distribution cable, generally provides service to a discrete area and are subject to rate regulation. By federal law, franchise terms do not exceed 15 years, and are renewable. In certain states transfers of franchise require state agency approval.

Federal Regulation - Federal Communications Commission

The FCC first asserted limited regulatory jurisdiction over the CATV industry as a whole in March 1966 and since 1965 over those CATV systems served by microwave relay. This jurisdiction has been affirmed by the Supreme Court of the United States. FCC regulation prior to 1972 effectively froze the growth of CATV systems in the top 100 television markets by prohibiting new systems in such areas from carrying non-local stations.

1972 Rules - In March 1972, the FCC asserted full jurisdiction over the CATV industry, including the areas of signal carriage, minimum number of use of non-broadcast channels, franchise standards, technical standards, limitations on ownership, and other matters. At the same time, the FCC relaxed its former importation rules and allowed cable systems located in the top 100 markets to import a limited number of distant TV signals. It further required all existing systems in the top 100 markets to have 20-channel capacity and an array of access channels by March, 1977.

The requirement for compliance with FCC franchise standards, however, was eliminated in 1977, except that there remains a limit on franchise fees of 3% of a cable TV system's gross revenues (5% on a special showing of need). However, the FCC is currently considering repealing these franchise fee limits.

Sports Blackout - At various times between 1970 and 1975, both the FCC and Congress considered the possibility of adopting some type of blackout restriction on cable carriage of distant sports programming. Blackout language was included in earlier drafts of copyright legislation but was eliminated from the bill passed into law in 1976.

On July 9, 1975, the FCC adopted a sports blackout rule which provides a 35 mile protection zone around television stations operating in the home city of a sports team. When a team is playing at home, no cable system located

within the protected zone may carry any telecast of that game, unless a local station is also televising the game. In the opinion of most industry observers, this rule is less restrictive than a number of those proposed, and will not have a materially adverse impact on proposed system operations. Further, the restriction does not apply to any television signal carried by a CATV system prior to March 3, 1977.

Pay Cable - In 1970, the FCC adopted stringent restrictions on the programming which could be shown on pay cable (i.e., subscription programs for which per-program or per-channel charge is made). As a result of legal proceedings and administrative hearings, the FCC in March 1975 released its revised pay cable rules, which only slightly relaxed the prior rigid regulations.

When these new rules were released, various parties appealed the decision in the District of Columbia Court of Appeals. Cable interests were joined by movie producers in charging that these rules are anti-competitive in nature. The Justice Department, siding with the cable and movie interests, also joined in this appeal to the Court. In a decision rendered on March 25, 1977, the Court, in Home Box Office vs. FCC, nullified the FCC's pay cable rules in their entirety.

Meanwhile, a number of federal offices, including the Federal Trade Commission and the Justice Department, are examining various television programming practices which allegedly have an unfavorable impact on the development of pay cable. The Senate Anti-Trust Committee held hearings on alleged broadcaster "warehousing", whereby the broadcasters buy up new movies and then keep them out of circulation for a three-year period so as to prevent use by pay cable operators. The FCC, however, closed its inquiry into this matter without action, when the networks agreed to accept exhibition rights without any pay TV protection.

In September, 1979, in a move to expand subscription TV (STV), the FCC dropped its rule allowing only one STV service in a community.

"Re-Regulation" - Re-regulation and de-regulation have become topics of national debate in recent years. This debate has not excluded the cable industry. The policy underlying the FCC's signal carriage rules has always been that cable television distant signal importation will harm local stations by fractionalizing their audience and reducing their attractiveness to advertisers, who supply the bulk of local broadcast revenues. Thus, the FCC limited the number of distant signals that a cable television system could import and required carriage of all local signals. Up until recently, a cable operator who wished to carry more than the permissible complement of distant signals was required to petition the FCC for a waiver of the rules and carried the burden of establishing that additional distant signal importation would not harm local broadcasters. Cable advocates had always argued that it was incorrect for the Commission to base its cable regulations on undocumented threats of economic harm to broadcasters.

On July 22, 1980, the FCC eliminated two major regulations that have limited the programs that cable television could offer its viewers. First, it allowed cable systems to carry as many stations from outside their franchise areas as they, or their viewers, want. The FCC also ended rules that allowed broadcasters to stop cable operators from clearing the same programs over these imported signals that are presented by the local stations. Under the change, cable stations are essentially free to carry signals they want regardless of source, method of reception or content, although such carriage may involve a liability for copyright payments.

Federal Regulation - Copyright

A bill to impose coypright fees on CATV companies was passed by the United States Congress, and signed into law in 1976. CATV systems will incur copyright liability only for the re-transmission of non-network programming from distant TV stations. The copyright fee for those distant signal equivalents ("DSE") will be expressed as a percentage of the cable system's basic subscriber revenues. Systems will pay 0.6% of basic subscriber revenue for the first DSE, 0.425% for each of the second through fourth DSE, and 0.2% of basic subscriber revenue for each DSE in excess of four. A distant independent station counts as one full DSE: distant network affiliates and educational stations count as 1/4 of a DSE (1/4 being a rough calculation of the amount of non-network programming on such stations); and local signals are free. All CATV systems, whether importing signals or not, will pay 0.6% of subscriber revenues for the right to import; and if signals are imported, that 0.6% will be credited against the fee for the signal.

Pole Attachment Fees - Cable companies attach their coaxial cable and associated equipment to poles owned by telephone and other utility companies. Prior to 1978, a cable company's right of access to these poles and rates for attachment were neither within the control of the cable company, except as provided in agreements, nor regulated, except by a few states. In February, 1978, President Carter signed into law a Federal statute which requires the FCC to regulate the rates, terms and conditions of cable pole attachments, except in those states which certify to the FCC that they have the requisite statutory authority to preempt the FCC in this area. Several states have so certified. However, in those states which have not so certified, the Federal law guarantees cable companies access to poles at reasonable rates. The FCC recently adopted new rules governing disputes under the Federal pole attachment law between companies and owners of utility poles in states which have no such procedures.

Easements

Another issue confronting the cable industry concerns the right of cable operators to occupy easements over private property, which were originally granted to utility companies. The issue turns on the apportionability of such easements, which, because they involve private property, are not covered by a blanket franchise grant. While courts in Ohio and California have ruled in favor of the cable operators on this question, the issue has not yet been definitively resolved. Several additional suits are now pending in this area. If a number of such disputes are decided adversely, the issue could assume industry-wide importance and would likely necessitate state-by-state legislative resolution.

Financial Considerations

For an overview of the lending situation with respect to the CATV industry, as well as an indication of the current financial status of the public CATV companies, WPB's annual reports on the industry are attached. The industry's strength is its predictable cash flow which, as a percent of gross revenues, is generally higher than in most industries. Loans to the industry center on this aspect of a CATV company's financial capability and place much less emphasis on the standard balance sheet tests that normally govern other types of industrial loans.

Prior to the offering of ancillary services, the historical sale value of CATV systems based on the strength of basic cable services was 7 to 8 times operating income (depending upon the system's future potential), less any debt on the system assumed by the buyer. In most cases, the sale price excluding debt assumed worked out in a range of $300 to $350 per basic subcriber.

CATV systems are now selling for 8 to 12 times operating income. The increase in operating income multiple reflects, (1) the value added by the additional cash flow from pay television and other non-basic services, (2) a greater availability of long-term financing for the cable television industry, (3) greater buyer demand generated by interests outside the CATV industry wishing to invest in cable television properties, and (4) the need to achieve a critical mass in terms of total subscribers in order to be considered a qualified bidder for new franchises. The new multiple of operating income combined with higher monthly rates have generated sale prices which give a very high value per basic subscriber, but a price per equivalent subscriber (basic plus pay) which is similar to the old range.

In recent years there has been substantial investor interest shown in cable television from major companies outside the industry. These investors typically look at the present value of the future cash flow of the CATV companies as well as the opportunity, in some instances, to take advantage of available tax loss carry-forwards and investment tax credits.

The industry's ability to generate a growing stream of cash flow without substantial continuing capital investment, as well as the future profit potential from the addition of new subscriber services, make cable an attractive investment for the future.

Industry Financials

CATV INDUSTRY

Analysis of 15 Public U.S. CATV Companies

Fiscal 1978 and 1979

September 25, 1980

INTRODUCTION

The following analysis has been prepared from the 1979 annual reports of each of the CATV companies surveyed, along with additional information supplied by the managements of these companies. This report is being made available to lenders to aid in their analysis of CATV loan proposals and to other parties interested in the financial status of the industry.

It is important to note that the complex mix of businesses conducted by various companies (i.e., broadcasting, micro-wave, other communications businesses and non-communication businesses), the increasing revenue stream from Pay-TV which is often included in CATV operations as well as the varied accounting practices used by the companies (with respect to the deferral of expenses related to new systems, the amortization of plant and equipment and the recognition of income), distort a direct statistical comparison.

However, this year's survey includes operating data for each company's cable television systems only. Thus, in the case of companies with other operating divisions, the operating analysis extends only as far as operating income since the attribution of debt (and the interest expense) becomes difficult.

Similarly, individual balance sheet accounts are generally unavailable except for Fixed Assets. In these cases, total corporate figures for debt and stockholders equity are included as a measure of corporate financial liquidity but normal per subscriber balance sheet statistics are not presented. For this purpose all homes passed, subscriber and plant mileage data are for only those systems consolidated for financial purposes, and thus may not agree with published totals which tend to include all systems regardless of the extent of ownership. This change in our method of presentation, new this year, assures that ratios are per subscriber data listed here are directly comparable with the other companies listed.

We are working with lenders and the CATV Industry to broaden the amount of available information as well as to provide more comparable information within the limitations of differences in accounting and the rights to corporate privacy. Comments and suggestions from financial institutions and members of the CATV industry as to the format and content of this analysis would be appreciated.

SUMMARY

The cable industry continued its pattern of rapid growth during a period of economic uncertainty. Revenues increased 32% on average, slightly ahead of the 1978 increase, but profitability jumped dramatically, as net income rose 84% on average and cash flow from operations increased 25%.

Balance sheets reflect the continuing shift of bank funding into longer term debt as well as the use of new equity. Stockholders equity grew an average 35%, more than twice as fast as from 1977 to 1978. Bank and subordinated debt being converted into longer term fixed rate debt, largely in the form of placements to private lenders, accounted for the shift in the debt figures.

Physical plant has been increased (26% on average) while fixed charge coverage continues to improve. Debt/Subscriber remained constant but Debt/Cash Flow improved considerably, from 3.6 to a 3.0 average.

Exhibit 1

Comparative Balance Sheet and Capitalization Data for Fiscal 1978 and 1979(1)
($000's)

	Adams-Russell Co., Inc.		Cablecom-General Inc.		Comcast Corporation		Cox Cable(2) Communications, Inc.		Heritage Communications, Inc.	
	9/30/79	9/30/78	11/30/79	11/30/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78
ASSETS										
Current Assets										
Cash & Equivalents	$ 439	$ 786	$ 628	$ 7,130	$ 8,881	$ 9,281	$ N/A	$ N/A	$ 6,290	$ 184
Accounts & Notes Receivable	4,939	3,491	1,862	1,371	1,126	882	N/A	N/A	2,648	619
Other	4,075	3,024	1,748	1,121	1,723	797	N/A	N/A	913	53
Total Current Assets	$ 9,898	$ 7,301	$ 4,238	$ 9,622	$11,730	$10,960	$ 15,806	$ 11,617	$10,051	$ 856
Property, Plant & Equipment	$20,666	$18,553	$67,054	$53,551	$32,383	$24,374	$133,343	$ 90,876	$18,494	$15,285
Less: Accumulated Depreciation	8,231	7,794	27,578	24,445	11,523	9,048	16,896	13,082	6,334	5,013
Net Property, Plant & Equipment	$12,435	$10,759	$39,476	$29,106	$20,860	$15,325	$116,447	$ 77,447	$12,160	$10,272
Investments and Other Assets	$ 2,047	$ 2,095	$ 9,069	$ 8,789	$ 3,837	$ -	$ N/A	$ N/A	$ 811	$ 4,819
Intangible	1,686	1,749	2,629	2,772	4,371	3,908	53,898	50,426	4,611	2,060
TOTAL ASSETS	$26,066	$21,905	$55,412	$50,289	$40,708	$30,194	$186,151	$139,837	$27,633	$18,007
LIABILITIES AND STOCKHOLDERS' EQUITY										
Current Liabilities										
Notes Payable	$ -	$ -	$ -	$	$ -	$ -	$ N/A	$ N/A	$ -	$ -
Accounts Payable & Other	4,038	3,706	5,994	5,410	3,366	3,050	N/A	N/A	4,162	1,787
Current Maturities	892	538	953	926	885	1,149	N/A	N/A	392	821
Total Current Liabilities	$ 4,930	$ 4,244	$ 6,947	$ 6,336	$ 4,251	$ 4,299	$ N/A	$ N/A	$ 4,554	$ 2,608
Long-Term Debt	$ 9,596	$ 8,210	$14,121	$15,541	$24,237	$16,168	$ N/A	$ N/A	$12,379	$16,372
Other Liabilities	501	324	3,626	2,714	1,959	1,641	N/A	N/A	-	-
Stockholders' Equity	11,039	9,126	30,718	25,698	10,351	8,186	N/A	N/A	10,700	(973)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$26,066	$21,904	$55,412	$50,289	$40,708	$30,194	$186,151	$139,837	$27,633	$18,007
Debt Breakdown										
Bank & Other Floating Rate	$ 300	$ 5,400	$ 500	$ -	$ 4,475	$ 4,475	$ N/A	$ N/A	$ 150	$ 3,375
Long-Term (Fixed Rate)	10,188	3,348	6,116	7,070	20,647	12,942	N/A	N/A	12,621	13,818
Subordinated	-	-	8,458	9,397	-	-	N/A	N/A	-	-
Total	$10,488	$ 8,748	$15,074	$16,467	$25,122	$17,317	$ N/A	$ N/A	$12,771	$17,193
Capitalization Data										
Bank Debt/Total Debt	2.9%	6.2%	3.3%	-	17.8%	25.3%	N/A	N/A	1.2%	19.6%
Funded Debt/Shareholders' Equity	95.0%	95.9%	50.0%	64.1%	242.7%	211.5%	N/A	N/A	115.7%	-
Debt/Basic Subscribers	$223.20	$203.51	$69.96	$82.17	$202.03	$167.94	N/A	N/A	$167.71	$301.03
Debt/Homes Passed	$101.49	$88.22	$49.67	$64.08	$117.39	$80.92	N/A	N/A	$161.07	$128.43
Debt/Miles of Plant	$10,404	$9,366	$3,967	$4,574	$10,468	$8,047	N/A	N/A	$6,266	$11,085
Average Debt ($000's)	$9,618		$15,770		$21,219		N/A		$14,981	
Average debt/Cash Flow	2.25x		1.68x		3.76x		N/A		2.48x	
Interest Paid/Average Debt	9.70%		8.10%		5.40%		N/A		12.60%	

Exhibit 1

Comparative Balance Sheet and Capitalization Data for Fiscal 1978 and 1979(1)
($000's)

	Liberty Communications, Inc.		Sammons Communications, Inc.		Storer Broadcasting Company		Tele-Communications Inc.		Teleprompter Corp.(6)	
	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78
ASSETS										
Current Assets										
Cash & Equivalents	$ 3,891	$ 6,018	$ 2,071	$ 1,464	$ 24,358	$ 5,946	$ 15,905	$ 5,532	$ N/A	$ N/A
Accounts & Notes Receivable	2,626	1,809	1,110	387	29,330	28,251	20,004	11,529	N/A	N/A
Other	850	523	-	-	15,956	12,759	448	345	N/A	N/A
Total Current Assets	$ 7,367	$ 8,350	$ 3,181	$ 1,851	$ 69,644	$ 46,956	$ 36,397	$ 17,406	N/A	N/A
Property, Plant & Equipment	$48,391	$39,548	$91,988	$70,255	$202,435	$146,960	$228,215	$160,487	$346,269	$310,086
Less: Accumulated Depreciation	19,801	16,697	39,175	32,518	71,339	60,817	90,462	69,831	130,359	111,791
Net Property, Plant and Equipment	$28,590	$22,851	$52,813	$37,737	$131,906	$ 86,143	$137,753	$ 90,656	$215,910	$198,294
Investments and Other Assets	$ 532	$ 589	$ 851	$ 480	$ 9,294	$ 5,349	$ 30,646	$ 15,458	$ N/A	$ N/A
Intangible	10,470	10,383	15,951	13,849	81,115	74,039	53,852	46,803	N/A	N/A
TOTAL ASSETS	$46,969	$41,173	$72,796	$53,917	$291,150	$213,487	$258,648	$170,323	$ N/A	$ N/A
LIABILITIES AND STOCKHOLDERS' EQUITY										
Current Liabilities										
Notes Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ N/A	$ N/A
Accounts Payable & Other	5,178	3,767	9,952	6,188	35,972	29,456	29,517	11,786	N/A	N/A
Current Maturities	1,599	1,320	154	681	12,670	395	6,574	3,986	N/A	N/A
Total Current Liabilities	$ 6,777	$ 5,087	$10,106	$ 6,869	$ 48,642	$ 29,851	$ 26,091	$ 15,771	$ N/A	$ N/A
Long-Term Debt	$26,485	$26,888	$32,058	$21,071	$ 66,369	$ 37,540	$159,614	$113,331	$123,195(5)	$134,780
Other Liabilities	3,081	2,083	4,566	3,640	13,596	13,742	8,013	6,180	-	-
Stockholders' Equity	10,616	8,115	26,066	22,337	162,543	132,354	64,930	35,040	122,261	107,655
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$46,959	$41,273	$71,796	$53,917	$291,150	$213,487	$258,648	$170,323	$ N/A	$ N/A
Debt Breakdown										
Bank & Other Floating rate	$ -	$ -	$ 6,600	$ 6,600	$ 61,344	$ 13,000	$ 45,423	$ 15,500	$ 19,000	$121,500
Long-Term (Fixed Rate)	28,084	28,208	26,212	15,751	41,520	1,076	118,518	98,795	94,195	13,380
Subordinated	-	-	-	-	21,175	23,859	2,247	3,022	-	-
Total	$28,084	$28,208	$32,212	$21,752	$ 79,039	$ 37,935	$166,188	$117,317	$123,195	$134,780
Capitalization Data										
Bank Debt/Total Debt	-	-	18.6%	27.9	20.7%	34.2%	28.3%	20.7%	23.5%	90.2%
Funded Debt/Shareholders' Equity	165.6%	345.4%	123.6%	97.4%	48.6%	28.7%	258.1%	334.8%	100.8%	125.2%
Debt/Basic Subscriber	$122.98	$199.49	$89.13	$66.16	$117.78	$150.54	$189.07	$166.88	$98.91	$113.95
Debt/Homes Passed	$94.43	$101.40	$61.77	$45.09	$131.73	$90.02	$97.93	$81.19	$115.39	$135.19
Debt/Miles of Plant	$7,201	$7,575	$4,994	$3,719	$10,297	$6,777	$6,868	$8,449	N/A	$6,340
Average Debt ($000's)	$28,956		$26,982		$58,487		$141,375		$128,988	
Average Debt/Cash Flow	3.66x		2.12x		1.50x		6.80x		2.90x	
Interest Paid/Average Debt	8.70%		11.30%		9.59%		10.80%		9.80%	

Exhibit 1

Comparative Balance Sheet and Capitalization Data For Fiscal 1978 and 1979(1)
($-000's)

	UA-Columbia Cablevision, Inc.		United Cable Television, Inc.		Viacom International, Inc.		Warner Amex Cable Communications, Inc.		Wometco Enterprises		Average	Average
	9/30/79	9/30/78	5/31/80	5/31/79	12/29/79	12/30/78	12/31/79	12/31/78	12/31/79	12/31/78	1979(3)(4)	1978(3)(4)
ASSETS												
Current Assets												
Cash and Equivalents	$ 6,126	$ 3,874	$ 3,740	$ 3,407	$ 27,583	$ 6,635	$ N/A	$ N/A	$ 4,723	$ 9,832	$ 8,368	$ 4,836
Accounts and Notes Receivable	912	695	1,075	966	31,870	22,397	N/A	N/A	24,128	21,778	7,026	4,517
Other	2,815	657	1,118	1,151	21,895	19,792	N/A	N/A	24,521	22,135	3,506	2,715
Total Current Assets	$ 9,853	$ 5,226	$ 5,933	$ 5,524	$ 81,348	$ 48,824	$ N/A	$ N/A	$ 53,372	$ 53,745	$ 8,590	$ 12,023
Property, Plant and Equipment	$ 94,953	$ 63,211	$102,662	$ 73,429	$112,579	$ 96,313	$149,828	$131,078	$250,316	$212,676	$118,871	$ 94,044
Less: Accumulated Depreciation	26,126	20,334	32,129	25,238	54,278	43,915	66,175	66,373	86,439	80,203	43,403	36,524
Net Property, Plant and Equipment	$ 68,827	$ 42,876	$ 70,533	$ 48,191	$ 58,301	$ 52,398	$ 83,653	$ 64,705	$163,877	$132,473	$ 75,468	$ 57,520
Investments and Other Assets	$ 4,295	$ 2,518	$ 4,603	$ 1,811	$103,396	$ 39,423	$ 6,573	$ 1,675	$ 16,655	$ 16,887	$ 16,561	$ 7,556
Intangibles	6,936	7,294	17,202	15,953	29,563	30,470	27,577	19,695	22,042	22,454	20,641	18,494
TOTAL ASSETS	$ 89,911	$ 57,914	$ 98,271	$ 71,479	$272,608	$171,115	$121,492	$ 87,469	$255,946	$225,559	$115,508	$ 81,156
LIABILITIES AND STOCKHOLDERS' EQUITY												
Current Liabilities												
Notes Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ N/A	$ N/A	$ 1,448	$ 2,174	$ -	$ -
Accounts Payable and Other	9,532	4,294	9,828	5,208	76,703	43,062	N/A	N/A	30,490	25,403	16,026	9,395
Current Maturities	1,872	773	1,601	1,531	2,088	939	N/A	N/A	2,054	1,627	1,791	1,347
Total Current Liabilities	$ 11,404	$ 5,067	$ 11,429	$ 6,739	$ 78,791	$ 44,000	N/A	N/A	$ 33,992	$ 29,204	$ 17,817	$ 10,742
Long-Term Debt	$ 48,508	$ 27,433	$ 59,739	$ 55,619	$ 74,900	$ 55,187	N/A	N/A	$ 74,008	$ 73,219	$ 57,264	$ 48,240
Other Liabilities	5,024	4,094	2,863	1,731	60,285	26,807	N/A	N/A	19,713	13,207	8,042	4,889
Stockholders' Equity	24,975	21,320	24,240	18,390	58,632	45,121	N/A	N/A	128,233	109,929	37,449	29,089
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 89,911	$ 57,914	$ 98,271	$ 71,479	$272,608	$171,115	$121,492	$ 87,469	$255,946	$255,559	$115,508	$ 81,156
Debt Breakdown												
Bank and Other Floating Rate	$ 3,600	$ 1,800	$ 17,554	$ 867	$ 32,000	$ 8,000	N/A	N/A	$ 9,897	$ 4,046	$ 13,870	$ 16,142
Long-Term (Fixed Rate	46,780	26,406	43,786	45,283	33,338	33,125	N/A	N/A	58,451	58,630	43,039	29,432
Subordinated	-	-	-	-	11,650	15,000	N/A	N/A	7,714	12,170	4,436	2,742
Total	$ 50,380	$ 28,206	$ 61,340	$ 45,150	$ 76,988	$ 56,125	N/A	N/A	$ 76,062	$ 74,846	$ 59,135	$ 48,234
Capitalization Data												
Bank Debt/Total Debt	7.1%	6.4%	28.6%	1.9%	41.6%	14.3%	N/A	N/A	13.1%	5.4%	16.9%	20.6%
Funded Debt/Shareholders' Equity	201.7%	132.3%	253.0%	245.3%	131.3%	124.3%	N/A	N/A	59.3%	68.5%	174.3%	168.0%
Debt/Basic Subscribers	$167.22	$112.68	$189.54	$167.42	$177.99	$155.34	N/A	N/A	$ 71.68	$101.12	$154.45	$153.30
Debt/Homes Passed	$ 95.10	$ 67.61	$105.46	$ 93.27	$ 93.37	$ 72.77	N/A	N/A	$353.00	$465.40	$ 99.16	$ 87.00
Debt/Miles of Plant	$ 8,542	$ 5,519	$ 10,414	$ 8,748	$ 11,463	$ 8,980	N/A	N/A	$ 25,542	$ 36,968	$ 7,798	$ 47,295
Average Debt ($-000's)	$ 39,239		$ 32,745		$ 66,566		N/A		$ 75,455		$ 51,724	
Average Debt/Cash Flow	2.67x		1.60x		3.00x		N/A		1.84x		3.07x	
Interest Paid/Average Debt	8.50%		15.19%		8.00%		N/A		7.40%		9.84%	

(1) Source: Warburg Paribas Becker Incorporated based on published reports for the two most recent fiscal years and other information supplied by the companies included in the survey.
(2) Before extraordinary items.
(3) Average figures for Balance Sheet data pertain to 12 of the companies listed - excludes Adams Russell, Storer, and Wometco, other where indicated as N/A, e.g. Teleprompter, Cox, Warner/Amex.
(4) Average figures reflect consolidated figures as reported in financial statements.
(5) Includes current portion of long-term debt.
(6) Balance sheet numbers include all operations.

Exhibit 2

Comparative Income Statement Data for Fiscal 1978 and 1979(1)(2)

($000's except per subscriber data)
Page 1 of 3

	Adams-Russell Co., Inc.		Cablecom-General Inc.		Comcast Corporation		Cox Cable Communications, Inc.		Heritage Communications, Inc.	
	9/30/79	9/30/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78
Revenues										
Cables	$ 4,529	$ 3,233	$18,391	$16,499	$12,375	$ 8,492	$N/A	$N/A	$ 6,077	$ 4,709
Pay-TV	1,006	248	4,486	1,345	(6)	N/A	N/A	2,136	1,546	
Other	22,852	20,630	13,439	13,584	10,011	7,689	N/A	N/A	6,767	93
Total Revenue	$28,387	$24,111	$36,316	$31,428	$21,811	$16,181	$90,869	$65,901	$14,980	$ 6,348
Operating Expenses	$14,315	$12,716	$17,874	$15,545	$ 8,409	$ 6,065	$N/A	$N/A	$ 7,392	$ 2,291
Selling, General & Administrative	7,702	6,548	6,609	5,477	5,968	4,162	N/A	N/A	3,925	1,937
Total Operating Expenses	$22,017	$19,264	$24,483	$21,022	$14,377	$10,227	$N/A	$N/A	$11,317	$ 4,228
Operating Income	$ 6,370	$ 4,847	$11,833	$10,406	$ 7,433	$ 5,954	$38,687	$29,652	$ 3,663	$ 2,120
Depreciation & Amortization	$ 2,090	$ 1,691	$ 4,408	$ 3,439	$ 3,111	$ 2,491	$16,896	$13,082	$ 1,491	$ 1,320
Interest Expense, Net	930	606	(114)	214	1,366	906	N/A	N/A	1,256	1,590
Other Expense (Income)	-	(55)	23	(999)	-	-	N/A	N/A	(5,124)	(515)
Pre-Tax Income	$ 3,350	$ 2,605	$ 7,876	$ 7,752	$ 2,956	$ 2,558	$N/A	$N/A	$ 4,540	$ (275)
Income Taxes	2,443	1,444	3,013	3,330	788	849	N/A	N/A	1,500	-
Operating Net Income	$ 1,907	$ 1,461	$ 4,683	$ 4,422	$ 2,168	$ 1,709	$ N/A	$ N/A	$ 4,540	$ (275)
Other Non-Consolidated Net Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Extraordinary Income (Expense)	-	-	108	108	-	-	-	-	1,970	-
Net Income	$ 1,907	$ 1,461	$ 4,971	$ 4,610	$ 2,168	$ 1,709	$ N/A	$ N/A	$ 6,510	$ (275)
Operating Data										
Operating Expenses/Revenue	77.6%	79.1%	67.4%	51.8%	65.9%	53.2%	65.9%	63.2%	55.5%	66.6%
Selling, General and Administrative/ Revenues	27.1	27.2	18.2	17.5	27.3	25.7	N/A	N/A	26.5	30.5
Operating Income/Revenues	22.4	20.1	32.6	42.2	34.1	36.8	42.6	45.0	24.5	33.4
Depreciation and Amortization/Revenues	7.4	7.0	11.1	11.0	14.3	15.4	18.6	19.9	10.8	20.8
Interest Expense/Revenues	3.3	2.5	(0.3)	0.7	6.3	5.6	N/A	N/A	8.4	25.1
Pre-Tax Income/Revenues	11.8	10.8	21.7	24.7	13.6	15.8	N/A	N/A	40.3	-
Tax Rate	43.1	43.9	38.3	43.0	26.7	33.2	N/A	N/A	24.8	-
Net Income/Revenues	6.7	6.1	13.7	14.7	9.9	10.6	N/A	N/A	43.4	-
Net Income/Stockholders' Equity	17.3	16.0	16.2	17.9	20.9	20.9	N/A	N/A	60.8	-

Exhibit 2

Comparative Income Statement Data for Fiscal 1978 and 1979(1)(2)
($000's Except per subscriber data)
Page 2 of 3

	Liberty Communications, Inc.		Sammons Communications, Inc.		Storer Broadcasting Company		Tele-Communications Inc.		Teleprompter Corp.		UA-Columbia Cablevision, Inc.	
	12/1/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78
Revenues												
Cables	$ (6)	$ (6)	$ (6)	$ (6)	$ 40,274	$ 26,529	$ 84,527	$ 54,839	$143,458	$123,997	$ 40,045	$ 29,208
Pay-TV					-	N/A	N/A	(6)	(6)	(6)	(6)	(6)
Other					130,083	118,677	7,634	8,134	31,180	22,450	0	0
Total Revenue	$ 28,181	$ 18,517	$ 38,881	$ 30,681	$170,357	$145,206	$ 92,161	$ 62,973	$174,638	$146,447	$ 40,045	$ 29,208
Operating Expenses	$ 10,488	$ 5,243	$ 18,596	$ 13,631	$ 58,136	$ 49,760	$ 30,566	$ 17,740	$ 62,179	$ 48,559	$ 12,468	$ 9,124
Selling, General & Administrative	6,939	5,016	3,352	2,162	52,408	44,811	23,150	14,386	47,558	41,083	12,046	8,146
Total Operating Expenses	$ 17,427	$ 10,259	$ 21,948	$ 15,794	$110,544	$ 94,571	$ 53,715	$ 32,126	$109,737	$ 89,642	$ 24,514	$ 17,270
Operating Income	$ 10,754	$ 8,258	$ 16,933	$ 14,888	$ 59,813	$ 50,635	$ 38,445	$ 30,847	$ 64,901	$ 56,805	$ 15,531	$ 11,938
Depreciation & Amortization	$ 3,843	$ 2,973	$ 7,684	$ 6,62	$ 16,917	$ 12,159	$ 17,751	$ 13,505	$ 23,463	$ 22,045	$ 6,679	$ 5,348
Interest Expense, Net	2,454	1,927	3,004	2,358	5,117	1,784	9,980	10,082	12,653	13,770	3,122	2,069
Other Expense (Income)	-	-	(59)	-	(11,925)	(733)	(25,754)	(242)	2,485	2,166	-	-
Pre-Tax Income	$ 4,457	$ 3,358	$ 6,304	$ 6,268	$ 49,704	$ 37,425	$ 36,468	$ 7,502	$ 26,300	$ 18,814	$ 5,730	$ 4,521
Income Taxes	1,813	1,607	2,155	2,714	19,441	18,254	14,621	2,468	6,950	5,335	1,555	1,309
Operating Net Income	$ 2,644	$ 1,751	$ 4,149	$ 3,554	$ 30,263	$ 19,171	$ 21,847	$ 5,034	$ 19,340	$ 13,489	$ 4,175	$ 3,212
Other Non-Consolidated Net Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Extraordinary Income (Expense)	-	-	-	-	-	-	7,056	980	5,059	2,307	-	-
Net Income	$ 2,644	$ 1,751	$ 4,149	$ 3,554	$ 30,263	$ 29,171	$ 28,903	$ 6,014	$ 14,281	$ 15,796	$ 4,175	$ 3,212
Operating Data												
Operating Expenses/Revenues	61.8%	55.4%	56.4%	51.5%	64.9%	65.1%	58.3%	51.0%	62.8	61.2%	61.2%	59.1%
Selling, General and Administrative/ Revenues	24.6	27.1	8.6	7.1	30.8	30.8	25.1	22.8	27.1	28.1	0.1	27.9
Operating Income/Revenues	38.2	44.6	43.6	48.5	35.1	34.9	41.7	49.0	37.2	38.8	38.8	40.9
Depreciation and Amortization Revnues	13.6	16.0	19.8	20.4	9.9	8.4	19.3	21.4	13.4	15.0	16.7	18.3
Interest Expense/Revenues	8.7	10.4	7.7	7.7	3.0	1.2	10.8	16.0	7.2	9.4	7.8	7.1
Pre-Tax Income/Revenues	15.8	18.1	16.2	20.4	29.2	25.8	39.6	11.9	15.1	12.9	14.3	15.5
Tax Rate	40.7	47.9	34.2	43.3	-	-	40.1	32.9	26.4	28.3	27.1	29.0
Net Income/Revenues	9.4	9.5	10.7	11.6	17.8	13.2	31.4	9.6	8.2	10.8	10.4	11.0
Net Income/Stockholders' Equity	24.9	21.6	15.9	15.9	18.6	14.5	44.5	17.2	11.7	14.7	16.7	15.1

Exhibit 2

Comparative Income Statement Data for Fiscal 1978 and 1979(1)(2)
($000's except per subscriber data)

	United Cable Television, Inc. 5/31/80	United Cable Television, Inc. 5/31/79	Viacom International, Inc. 12/31/79	Viacom International, Inc. 12/31/78	Warner-Amex Cable(3) 12/31/79	Warner-Amex Cable(3) 12/31/78	Wometco Enterprises 12/31/79	Wometco Enterprises 12/31/78	Average 1979(5)	Average 1978(5)
Revenues										
Cable	$28,764	$21,468	$ N/A	$ N/A	$74,887	$60,446	$ 23,060	$ 10,330	$ 38,153(4)	$ 29,931(4)
Pay-TV	15,470	8,978	N/A	N/A	N/A	N/A	-	-	5,774	3,029
Other	444	520	N/A	N/A	N/A	N/A	284,188	267,029	56,259	45,851
Total Revenues	$44,678	$30,966	$107,389	$81,043	$74,887	$60,446	$307,248	$277,359	$ 52,511(8)	$ 33,574
Operating Expenses(7)	$15,089	$10,599	$ 40,225	$29,383	$21,337	$15,152	$209,664	$188,188	$ 52,238(5)	$ 15,753(5)
Selling, General & Administrative	9,864	6,630	33,968	26,227	22,500	16,806	42,426	36,108	15,989	12,228
Total Operating Expenses	$24,953	$17,229	$ 74,193	$55,610	$43,837	$31,958	$252,090	$224,296	$ 38,267	$ 27,981
Operating Income	$19,725	$13,737	$ 33,196	$25,433	$31,050	$28,488	$ 55,158	$ 53,063	$ 24,346	$ 19,818
Depreciation & Amortization	$ 7,213	$ 5,239	$ 11,893	$10,172	$11,337	$10,017	$ 17,991	$ 15,734	$ 9,655	$ 7,991
Interest Expense, Net	4,973	4,072	4,913	3,361	2,216	2,946	5,576	6,041	4,166	3,936
Other Expense (Income)	(37)	(111)	-	-	-	-	-	-	-	-
Pre-Tax Income	$ 7,576	$ 4,537	$ 16,390	$11,900	$17,497	$15,525	$ 31,591	$ 31,388	$ 12,509	$ 6,988
Income Taxes	1,366	1,014	6,542	4,768	6,891	7,230	11,873	11,750	$ 24,164	$ 2,678
Operating Net Income	$ 6,210	$ 3,523	$ 9,848	$ 7,132	$10,606	$ 8,295	$ 19,718	$ 15,538	$ 8,345	$ 4,310
Other Non-Consolidated Net Income	$ 303	$ 406	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Extraordinary Income (Expense)	-	-	2,050	-	-	-	(588)	(757)		
Net Income	$ 6,513	$ 3,929	$ 11,898	$ 7,132	$10,606	$ 8,295	$ 19,130	$ 18,871	$ 8,269	$ 5,066
Operating Data(7)										
Operating Expenses/Revenues	55.8%	55.6%	69.1%	68.6%	58.5%	52.9%	82.0%	81.9%	61.6%	58.3%
Selling, General and Administrative/ Revenues	16.1	16.9	31.6	32.4	30.0	27.8	13.8	13.0	24.2	21.8
Operating Income/Revenues	44.2	44.4	30.9	31.4	41.5	47.1	18.0	19.1	36.1	39.8
Depreciation and Amortization/Revenues	16.1	16.9	11.1	12.6	15.1	16.6	5.9	5.7	14.5	16.3
Interest Expense/Revenues	11.1	13.1	4.6	4.2	3.0	4.9	1.8	2.2	6.5	8.7
Pre-Tax Income/Revenues	17.0	14.7	15.3	14.7	23.4	25.7	10.3	11.3	20.7	16.5
Tax Rate	18.0	22.3	40.0	40.1	39.4	46.6	37.6	37.6	32.4	32.4
Net Income/Revenues	14.6	12.7	11.1	8.8	14.2	13.7	6.2	6.8	15.8	9.4
Net Income/Stockholders' Equity	21.9	21.4	20.3	15.8	N/A	N/A	14.9	17.1	24.6	15.6

(1) Source: Warburg Paribas Becker Incorporated based on published reports for the two most recent fiscal years and other information supplied by the companies included in the survey.
(2) 1978 results may be restated to reflect accounting changes for reporting installation revenues, construction-related and proprietary costs.
(3) Information pertains to Cox's and Warner's cable operations only.
(4) Includes Pay-Tv revenues for certain companies, average pertains to 11 of the companies listed, excluding Cox, Liberty, Sammons, Viacom.
(5) Averages unless otherwise noted pertain to 12 of the companies listed, excluding Adams-Russell, Storer and Wometco.
(6) Company does not break out segment data.
(7) Operating data relate to all operations producing total revenues, average pertains to 12 of the companies listed, excluding Adams-Russell, Storer, Wometco.
(8) Average, based on cable revenues only, where available.

Exhibit 3

Comparative Statements of Changes in Financial Position Data for Fiscal 1978 and 1979
($000's)
Page 1 of 3

	Adams-Russell Co., Inc.		Cablecom-General, Inc.		Comcast Corporation		Cox Cable Communications, Inc.(3)		Heritage Communications, Inc.		Liberty Communications, Inc.	
	9/30/79	9/30/78	11/30/79	11/30/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78
Sources												
Net Income	$ 1,907	$ 1,461	$ 4,864(1)	$ 4,422	$ 2,168	$ 1,709	$21,791	$16,750	$ 4,539(1)	$ 1,751	$ 2,644	$ 1,751
Depreciation & Amortization	2,090	1,641	4,048	3,438	3,111	2,491	16,896	13,082	1,491	1,321	4,016	3,153
Other Non-Cash Items	270	(2)	498	37	355	480	(7,893)	(7,570)	1	(332)	998	723
Cash Flow from Operations	$ 4,267	$ 3,150	$ 9,410	$ 7,897	$ 5,634	$ 4,680	$30,794	$22,262	$ 6,031	$ 714	$ 7,658	$ 5,627
Borrowings	$ 2,361	$ 2,513	$ 583	-	$11,876	$ 3,637	N/A	N/A	$16,931	$ 3,155	-	$ 8,000
Sale of Equity	-	-	-	-	196	11	N/A	N/A	5,398	56	31	123
Other	978	2,835	2,452	3,871	1,620	866	N/A	N/A	6,196	930	1,796	1,402
Total Sources	$ 7,606	$ 8,498	$12,445	$11,768	$19,326	$ 9,192	N/A	N/A	$34,556	$ 4,855	$ 9,485	$15,152
Applications												
Capital Expenditures	$ 3,757	$ 6,490	$14,770	$10,920	$ 8,217	$ 5,581	$54,124	$31,533	$ 5,685	$ 2,075	$ 9,559	$11,943
Debt Repayment	621	496	1,791	945	3,806	1,131	N/A	N/A	20,924	2,428	576	1,200
Dividends	144	119	-	-	137	214	N/A	N/A	290	-	174	104
Other	2,986	1,386	1,548	581	7,362	2,374	N/A	N/A	8,987	267	1,303	1,566
Total Uses	$ 7,508	$ 8,491	$18,109	$12,446	$19,622	$ 9,300	N/A	N/A	$35,886	$ 4,770	$11,612	$14,813
Increase (Decrease) in Cash	$ 98	$ 7	$(5,644)	$ (678)(2)	$ (296)	$ (108)	N/A	N/A	$(1,330)(3)	$ 85	$(2,127)	$ 339
Coverage												
Cash Flow from Operations	$ 4,267	$ 3,150	$ 9,410	$ 7,897	$ 5,634	$ 4,680	$30,794	$22,262	$ 6,031	$ 714	$ 7,658	$ 5,627
Interest Paid	930	606	114	213	1,366	906	N/A	N/A	1,256	1,590	2,454	1,927
Total	5,197	3,756	9,524	8,110	7,000	5,586	N/A	N/A	7,287	2,304	10,112	7,554
Debt Repayments	$ 621	$ 496	$ 1,791	$ 945	$ 3,806	$ 1,131	N/A	N/A	$20,924	$ 2,428	$ 576	$ 1,200
Interest Paid & Preferred Dividends	930	606	114	213	1,366	906	N/A	N/A	1,546	1,590	2,454	1,927
Total	$ 1,551	$ 1,102	$ 1,905	$ 1,158	$ 5,172	$ 2,037	N/A	N/A	$22,470	$ 4,018	$ 3,030	$ 3,127
Coverage	3.35 x	3.41x	4.99x	7.00x	1.35x	2.74x	N/A	N/A	0.32x	0.57x	3.34x	2.24x

Exhibit 3

Comparative Statement of Changes in Financial Position for Fiscal 1978 and 1979
($000's)

	Sammons Communications, Inc.		Storer Broadcasting Company		Telecommunicaions Inc.		Teleprompter Corp.		UA-Columbia Cablevision, Inc.		United Cable Television, Inc.	
	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/79	12/31/79	12/31/78
Sources												
Net Income	$ 4,149	$ 3,554	$ 30,263	$ 19,171	$ 21,847(4)	$ 5,034(4)	$19,340	$13,489	$ 4,175	$ 3,212	$ 3,956	$ 2,641
Depreciation & Amortization	7,684	6,262	16,393	$ 11,854	17,751	13,505	23,463	22,045	6,679	5,348	5,219	3,905
Other Non-Cash Items	867	490	(7,682)	(50)	(18,805)	880	1,728	2,689	516	977	680	(27)
Cash Flow from Operations	$12,700	$10,306	$ 38,974	$ 3,975	$ 20,793	$ 19,419	$ 44,531	$38,223	$11,370	$ 9,537	$ 9,855	$ 6,519
Borrowings	$20,544	$ 600	$ 92,818	$ 16,000	$ 70,880	$101,402	$ 80,000	-	$26,548	$ 7,800	$13,377	-
Sale of Equity	-	-	10,489	5,448	987	562	-	-	223	135	-	-
Other	4,556	614	40,428	2,647	32,866	11,618	15,502	6,452	3,436	739	222	1,685
Total Sources	$37,800	$11,520	$182,709	$ 55,070	$125,526	$133,002	$140,033	$44,675	$41,577	$18,211	$23,454	$ 8,204
Applications												
Capital Expenditures	$22,579	$10,946	$ 80,052	$ 40,906	$ 92,672	$ 32,904	$ 40,598	$28,108	$32,160	$14,387	$19,544	$ 5,427
Debt Repayment	10,084	715	63,989	5,610	21,459	92,277	91,585	12,814	4,374	2,136	1,374	4,073
Dividends	844	579	6,934	6,348	-	-	--	-	743	493	576	-
Other	3,868	(872)	13,322	4,243	8,078	6,342	9,633	4,998	4,350	799	2,438	(1,276)
Total Uses	$37,193	$11,368	$164,297	$ 57,127	$122,209	$131,523	$141,816	$45,920	$41,627	$17,815	$23,932	$ 8,224
Increase (Decrease) in Cash	$ 607	$ 152	$ 18,412	$ (2,057)	$ 3,317(5)	$ 1,479(6)	$ (1,783)	$(1,245)	$ (50)	$ 395(5)	$ (478)	(20)
Coverage												
Cash Flow from Operations	$12,700	$10,306	$ 38,974	$ 30,975	$ 20,793	$ 19,419	$ 44,531	$38,223	$11,370	$ 9,537	$ 9,855	$ 6,519
Interest Paid	3,004	2,358	5,117	1,784	9,980	10,082	12,653	13,770	3,122	2,069	4,188	2,992
Total	$15,704	$12,664	$ 44,091	$ 32,759	$ 30,773	$ 29,501	$ 57,184	$61,993	$14,492	$11,606	$14,043	$ 9,511
Debt Repayment	$10,084	$ 715	$ 63,989	$ 5,610	$ 21,459	$ 92,277	$ 91,585	$21,814	$ 4,374	$ 2,135	$ 1,374	$ 4,073
Interest Paid & Preferred Dividends	3,004	2,358	5,117	1,784	9,480	10,082	12,653	13,770	3,122	2,069	4,188	2,992
Total	$13,088	$ 3,073	$ 69,106	$ 7,394	$ 31,439	$102,359	$104,238	$26,485	$ 7,496	$ 4,205	$ 5,562	$ 7,076
Coverage	1.20x	4.12x	0.46x	4.43x	0.98x	0.29	0.55x	1.96x	1.93x	2.76x	2.52x	1.35x

Exhibit 3

Comparative Statement of Changes in Financial Position Data For Fiscal 1978 and 1979
($-000's)

	Viacom International Inc.		Warner Amex Cable Communications Inc.		Wometco Enterprises Inc.	
	12/31/79	12/31/78	12/31/79	12/31/78	12/31/79	12/31/78
Sources						
Net Income	$ 9,848(7)	$ 7,132	$ 10,606	$ 8,295	$ 19,718	$ 19,538
Depreciation & Amortization	11,893	10,172	11,337	10,017	17,991	15,734
Other Non-Cash Items	423	13	4,732	1,431	3,245	1,527
	$ 22,164	$ 17,317	$ 26,675	$ 19,743	$ 30,954	$ 36,799
Borrowings	65,500	28,000	N/A	N/A	10,653	62,473
Sale of Equity	-	-	N/A	N/A	5,116	1,954
Other	68,298	24,878	N/A	N/A	15,493	4,731
Total Sources	$155,962	$ 70,195	N/A	N/A	$ 72,216	$105,957
Applications						
Capital Expenditures	$ 17,672	$ 27,290	N/A	N/A	$ 52,015	$ 46,175
Debt Repayment	44,637	6,938	N/A	N/A	9,726	64,794
Dividends	1,174	899	N/A	N/A	4,504	3,738
Other	73,581	34,234	N/A	N/A	8,753	(8,642)
Total Uses	$137,064	$ 69,361	N/A	N/A	$ 74,998	$106,065
Increase (Decrease) in Cash	$ 18,898(8)	$ 834	N/A	N/A	$ (2,782)	$ (108)
Coverage						
Cash Flow from Operations	$ 22,164	$ 17,317	$ 26,675	$ 19,743	$ 40,954	$ 36,799
Interest Paid	4,913	3,361	N/A	N/A	5,576	6,041
Total	$ 27,077	$ 20,678	N/A	N/A	$ 46,530	$ 42,840
Debt Repayment	$ 44,637	$ 6,938	N/A	N/A	$ 9,726	$ 64,794
Interest Paid & Preferred Dividends	4,913	3,361	N/A	N/A	5,576	6,041
Total	$ 49,550	$ 10,299	N/A	N/A	$ 15,302	$ 70,835
Coverage	0.55x	2.01x	N/A	N/A	3.04x	0.60x

(1) Before extraordinary items.
(2) Extraordinary items did not affect funds.
(3) Excludes $2,206,732 of extraordinary gain.
(4) Before extraordinary items.
(5) Excludes $7,056,000 of extraordinary gain.
(6) Excludes $980,000 of extraordinary gain.
(7) Before extraordinary items
(8) Excludes $2,050,000 of extraordinary gain.

Exhibit 4

Comparative System and Subscriber Data

	Adams-Russell Co., Inc.	Cablecom General Inc.	Comcast Corporation	Cox Cable Communications, Inc.	Heritage Communications, Inc.	Liberty Communications Inc.	Sammons Communications Inc.	Storer Broadcasting Company
	9/30/79	11/30/79	12/31/79	12/31/79	12/31/79	12/31/79	12/31/79	12/31/79
Franchised Homes	N/A	N/A	322,000	N/A	N/A	N/A	626,000	N/A
Homes Passed	100,334	303,500	214,000	1,367,712	171,562	297,400	521,500	600,000
Subscriber-Basic								
Beginning	42,895	200,400	103,116	587,287	57,114	150,500	328,770	252,000
Ending	47,389	115,500	124,346	707,899	76,150	162,400	361,633	347,200
Average	45,187	107,950	113,731	647,088	66,632	156,450	345,201	299,600
Net Change (ending)(000's)	4,404	15,100	21,230	120,621	19,036	21900	32,863	95,200
% Change	10%	7%	21%	21%	33%	16%	10%	38%
Subscribers-Pay-TV								
Beginning	5,373	33,000	12,571	178,490	21,87	13,900	59,128	64,300
Ending	15,487	65,500	28,220	339,562	36,820	26,500	102,933	116,900
Average	10,430	49,250	20,399	259,026	29,339	21,200	80,030	90,600
Net Change-(000's)	10,114	32,000	15,643	161,072	14,963	14,600	43,805	52,600
% Change	188%	97%	124%	90%	69%	105%	74%	82%
Average Monthly Rate-Basic	$10.21(Avg.)(1)	$9.17(Avg)(1)	$8.00	$7.79	$7.60	N/A	$7.08	11.20(1)
-Pay			$9.50	$7.81	N/A	N/A	$9.57	N/A
Plant Miles								
-Under 20 channels	N/A	N/A	56	N/A	N/A	N/A	4,071	N/A
-Over 20 channels	N/A	N/A	1,894	N/A	N/A	N/A	2,379	N/A
-Two-Way	N/A	N/A	N/A	N/A	N/A	N/A	-	N/A
Total	N/A	3,800	2,400	13,300	2,038	3,900	6,450	7,710
Density-Homes Passed/Mile	N/A	80	89	102	84	76	81	78
Ratios Based on Year End Data								
Homes Passed/Franchised Homes	N/A	N/A	66%	N/A	N/A	N/A	83%	N/A
Basic Subscribers/Homes Passed	47%	71%	58%	52%	44%	55%	69%	58%
Pay-Tv/Basic Subscribers	33%	30%	23%	48%	48%	18%	28%	34%
Pay-Tv/Homes Passed	15%	22%	13%	25%	21%	10%	20%	19%
Net Plant/Basic Subscribers	$262.40	$183.28	$167.76	$164.76	$159.69	$176.05	$147.04	$377.04
Per Average Basic Subscriber								
Revenues	N/A	$179.77	$185.26	$419.09	$224.81	$180.13	$112.63	N/A
Operating Expenses	N/A	85.95	71.43	114.56	110.94	67.04	53.87	N/A
SGA Expenses	N/A	31.78	50.70	145.36	58.91	44.35	9.71	N/A
Operating Income	N/A	62.04	63.13	159.17	54.97	68.74	49.02	N/A
Depreciation and Amortization	N/A	19.47	27.42	34.96	22.37	24.56	22.26	N/A
Interest	N/A	-	11.60	0.60	18.86	15.69	8.70	N/A
Pre-Tax Income	N/A	37.88	21.11	119.40	90.64	28.49	18.26	N/A

Exhibit 4

System and Subscriber Data

	Telecommunications Inc.	Teleprompter Corp.	UA-Columbia Cablevision, Inc.	United Cable Television, Inc.	Viacom International, Inc.	Warner Amex Cable Communications Inc.	Wometco Enterprises
	12/31/79	12/31/79	9/30/79	11/30/79	12/31/79	12/31/79	8/15/80
Franchised Homes	N/A	N/A	1,200,000	893,645	1,376,735	1,664,442	320,000
Homes Passed	1,697,000	2,044,614	629,734	581,645	824,516	1,055,173	219,000
Subscribers-Basic							
Beginning	703,000	1,182,797	250,325	269,670	361,300	589,000	73,660
Ending	879,000	1,245,505	301,273	323,628	432,535	629,300	106,100
Average	791,000	1,214,151	275,799	296,649	369,918	609,150	89,880
Net Change (ending)(000's)	176,000	62,700	50,498	53,958	71,235	40,300	32,440
% Change	25%	5%	20%	21%	20%	77%	44%
Subscribers-Pay-Tv							
Beginning	153,296	354,843	84,921	107,153	108,400	88,000	19,580
Ending	320,199	418,570	151,754	146,810	168,000	117,000	51,670
Average	236,748	386,707	118,338	126,982	138,200	102,500	35,625
Net Change-(000's)	166,903	63,727	66,833	39,657	59,606	29,000	32,090
% Change	109%	15%	79%	37%	55%	33%	164%
Average Monthly Rate-Basic	$7.25	$ 7.93	$7.40	$7.72	N/A	N/A	-
-Pay	$9.95	$10.46	$8.50	$9.50(est.)	N/A	N/A	$12.23(1)
Plant Miles							
-Under 20 channels	-	-	898	-	-	11,271	320
-Over 20 channels	N/A	N/A	5,000	5,890	N/A	400	2,980
-Two-Way	N/A	N/A	-	-	-	-	-
Total	16,918	N/A	5,898	5,890	6,716	11,671	3,300
Density-Homes Passed/Mile	100	N/A	90	99	128	90	73
Ratios Based on Year-End Data							
Per Average Basic Subscriber							
Revenues	$116.51	$143.80	$145.20	$104.39	$270.56	$122.94	N/A
Operating Expenses	38.64	51.21	45.21	35.95	101.34	81.96	N/A
SGA Expenses	29.27	39.17	43.68	22.35	85.58	36.97	N/A
Operating Income	48.60	53.45	56.31	46.09	83.64	50.97	N/A
Depreciation and Amortization	22.44	19.32	24.22	17.59	29.96	18.61	N/A
Interest	12.62	10.41	11.32	14.12	12.38	3.64	N/A
Pre-Tax Income	46.10	25.29	20.78	15.75	41.29	28.72	N/A

(1) Monthly average of pay and basic revenue.

Lender Survey

Summary of Projected Availability of Debt Funds for the Cable Television Industry

May 1980

WARBURG PARIBAS BECKER
INCORPORATED

A. G. BECKER INCORPORATED

INTRODUCTION

Warburg Paribas Becker Incorporated has conducted its annual survey of lenders to the cable television industry and this report is the sixth in a series which began in 1974. The total number of institutions actively seeking to lend money to the industry did not increase noticeably during 1979; however, the levels of outstandings, commitments and projected new volume show a significant rise, especially for the bank segment, reflecting in part the heightened franchising and new build activity in the past year which is expected to carry through into 1980 and beyond.

As in prior years, this report includes a majority of the 100 largest commercial banks in the United States and all of the insurance companies and intermediate term lenders that are active lenders to the cable television industry. A number of significant facts have arisen as a result of this year's survey which are reviewed on the following pages.

To all those lending institutions who participated willingly in this year's survey, Warburg Paribas Becker wishes to extend its gratitude for your continued interest and cooperation.

BANK LOANS TO THE CATV INDUSTRY

Commercial banks continued to show a strong interest in lending to the cable television industry although new loan volume during 1979 did not reach the level anticipated at the beginning of the year. Outstandings did increase by $98,135,000 or 18.8%, however, because of continued aggressive marketing efforts by many of the banks who have traditionally been active lenders to the industry, the heightened franchising activity and accelerated construction commitments by CATV operators, and the diminished availability of long-term fixed rate money currently. The total number of banks seeking to lend money to the CATV industry remained at approximately the same level as in 1978 although individual participations increased significantly for several banks.

As a group, the banks had a large amount in unfunded commitments at year end (215% increase), which when combined with the increased level of projected new loan volume (85% increase) for 1980 and uncertainty as to the availability of funds from insurance companies for 1980, should produce a very sharp increase in total loans outstanding to the cable industry to exceed $1 billion, reflecting an increase of 75% by December 31, 1980.

It is necessary for two reasons to treat the information presented on the banks in this report with some caution. Some of the major banks, because of their decentralized lending operations, found it difficult to be certain that all CATV loans had been included in the aggregate totals which they reported to WPB. In addition, among the reporting banks there were divergent views as to what constitutes a CATV loan. For example, one bank will classify a loan to a corporation with a CATV subsidiary as a cable loan, while another will not. Keeping these points in mind, the following comparison can serve to generally indicate the lending situation as it relates to banks.

Year	Number of Lenders Reporting	At December 31, Outstandings	Unfunded Commitments	Projected New Loan Volume
1980 (Est.)	120	$1,084,714,000	$ -	$595,050,000
1979	123	629,535,000	980,501,000	321,300,000
1978	123	522,400,000	311,200,000	231,000,000
1977	123	550,000,000	148,000,000	263,000,000
1976	110	538,000,000	N/A	N/A
1975	98	616,000,000	N/A	N/A

INTERMEDIATE TERM LOANS TO THE CATV INDUSTRY

During 1979, new loan volume among the intermediate term lenders to the cable television industry increased over the previous year and as a result, the outstanding loans aggregate of the group surveyed was $9,356,000 or 7.3% greater at year-end then it was in 1978. Similarly, the group's average portfolio size increased by 19.0% to $15,229,000. In comparison, the average size of the cable television portfolios of the insurance companies and the banks surveyed was $23,098,000 and $5,150,000 at year-end, respectively. The number of participants as intermediate term lenders to the cable television industry declined during 1979. As a group, the intermediate term lenders project a slightly lower new loan volume in aggregate in 1980 and a 5% growth in outstandings by December 31, 1979. The trend historically for the group is as follows:

Year	Number of Lenders Reporting	At December 31, Outstandings	At December 31, Unfunded Commitments	Projected New Loan Volume
1980 (Est.)	9	$143,200,000	-	$34,000,000
1979	9	137,056,000	$17,777,000	39,000,000
1978	10	127,700,000	11,800,000	47,500,000
1977	10	117,000,000	8,000,000	43,000,000
1976	10	120,000,000	N/A	43,000,000
1975	10	118,000,000	N/A	N/A

INSURANCE COMPANY LOANS TO THE CATV INDUSTRY

During 1979 new loan volume fell way below expectations as gyrations in both the short-term and long-term markets altered investment policies and availability of funds in the insurance industry. Outstandings increased by $74,122,700 or 15.2% over 1978 and unfunded commitments increased by nearly 33% over 1978. At this time, insurance companies are expecting current economic uncertainty and their cash flow constraints to keep new loan volume and growth in outstandings to the lowest level since the mid-70's. Projected new loan volume will decline nearly 45% over last year's projections and outstandings will show a 10% increase at year end 1980.

Many of the participating insurance companies indicated no new volume for the entire 1980 while others are actively pursuing new loans for late 1980 and 1981. When long-term rates do decline to within the 11-13% range, however, it is expected that a significant number of CATV companies will seek to refinance existing floating rate debt with addition long-term fixed rate debt. A direct comparison with statistics from prior years is as follows:

Year	Number of Lenders Reporting	Outstandings	Unfunded Commitments	Projected New Loan Volume
1980 (Est.)	31	$838,020,000	$88,015,000	$102,250,000
1979	31	763,897,300	66,300,000	176,800,000
1978	35	633,000,000	34,500,000	209,000,000
1977	35	484,000,000	N/A	124,000,000
1976	28	398,000,000	N/A	116,000,000
1975	30	341,000,000	N/A	41,000,000
1974	34	302,000,000		N/A

SUMMARY

In summary, all three groups of lenders continue to exhibit strong interest in the cable television industry and each group projects substantial new loan volume ($731,300,000 in total) during 1980. Overall, loan outstandings to the CATV industry from the institutions surveyed increased by 18.6% to $1,521,488,000 during 1979. As in prior two years, most of the increase in loan outstandings was reported by the insurance industry. This reflects the continuation of the trend for companies to refinance portions of their outstandings with fixed rate debt, thereby reducing their exposure to swings in interest rates and the potential imposition of credit controls. The companies also have increased availability on their bank facilities to finance new construction programs. Overall the groups experienced modest new loan volume during 1979 and project that their total outstandings to the cable television industry will increase significantly by December 31, 1980. During 1979, greater competition for new loans among the current lenders to the industry as well as a general increase in the total number of financial institutions who are now actively lending to the cable television industry was again evident, a trend that began in 1976 and that is expected to continue.

CHART I

SUMMARY OF PROJECTED AVAILABLE DEBT FUNDS

FOR THE CABLE TELEVISION INDUSTRY IN 1980 (1)

Type of Lender	Number of Lenders Reporting	Outstandings at December 31, 1979	Projected New Loan Volume for 1980	Projected Outstandings at December 31, 1980
Banks	120	$ 620,535,000	$ 595,050,000	$1,084,714,000
Intermediate Lenders	9	137,056,000	34,000,000	143,200,000
Insurance Companies	31	763,897,300	102,250,000	838,020,000
Total	160	$1,521,488,000	$ 731,300,000	$2,065,934,000

(1) Source: Direct reports from lenders based on questionnaires sent by Warburg Paribas Becker to more than 150 lending institutions including more than 60 of the largest 100 commercial banks.

CHART II

LEADING LENDERS TO THE CATV INDUSTRY

BASED ON OUTSTANDING AS OF DECEMBER 31, 1979 (1)

Banks Reporting Over $10,000,000	Loans Outstanding at December 31, Net of Participations and Unfunded Commitments 1979	1978
1. Chase Manhattan Bank, N.A.	$83,000,000	$12,100,000
2. First National Bank of Boston	76,850,000	66,851,000
3. National Bank of North America	52,000,000	37,000,000
4. Citibank, N.A.	45,491,000	38,900,000
5. First National Bank of Chicago	39,519,000	33,983,000
6. Continential Bank	35,150,000	24,589,000
7. Bank of New York	32,314,000	25,090,000
8. Wells Fargo	28,800,000	29,643,000
9. First National Bank, Dallas	22,150,000	19,500,000
10. The Fidelity Bank	21,500,000	14,500,000
11. Wachovia	19,811,000	1,975,000
12. Provident National Bank	19,194,000	10,159,000
13. Toronto Dominion Bank	17,900,000 (2)	NA
14. Union Commerce, Cleveland	18,216,000	20,100,000
15. Security Pacific	17,736,000	17,000,000
16. Industrial National Bank	15,000,000	14,000,000
17. Chemical Bank	15,000,000	6,200,000
18. American Security Bank, N.A.	12,000,000	2,000,000
19. Hartford, National Bank	11,795,000	6,300,000
20. Pittsburgh National Bank	11,054,000	7,155,000
21. Manufacturers Hanover	10,575,000	21,488,000
22. U.S. Trust	10,100,000	5,000,000
Intermediate Term Lenders		
1. Aetna Business Credit	$37,170,000	$21,700,000
2. Firstmark Financial Corporation	36,800,000	32,000,000
3. Heller Oak	35,000,000 (3)	36,000,000 (3)
4. Becker Communications Associates	13,000,000	17,394,000
Insurance Companies Over $10,000,000		
1. John Hancock Mutual Life	$140,300,000	$100,000,000
2. Teachers Insurance & Annuity	123,321,300	90,969,000
3. Aetna Life & Casualty	100,344,000	80,800,000
4. Mutual of New York	97,900,000	83,400,000
5. The Travelers Insurance Company	81,000,000	52,250,000
6. The Equitable Life Assurance Society	51,750,000	45,600,000
7. Home Life Insurance	45,570,000	47,824,000
8. Massachusetts Mutual Life	34,583,000	20,157,000
9. Connecticut General Life	28,136,000	17,438,000
10. Connecticut Mutual Life	24,510,000	19,602,000
11. Phoenix Mutual Life	15,968,000	13,910,000
12. Union Mutual Life	15,022,000	13,280,000

(1) Source: Direct reports from lenders based on questionnaires sent by Warburg Paribas Becker to more than 160 lending institutions including more than 60 of the largest 100 commercial banks.

(2) Includes loans to U.S. cable operations only.

(3) Does not include leases or guarantee transactions in 1979; includes leases in 1978.

Warburg Paribas Becker Services

Warburg Paribas Becker offers a complete range of financial services to cable companies in the United States and Canada who are looking for public or public financing on either a debt or equity basis. Our commitment to the cable television industry is comprehensive and involves much more than a basic deal-oriented approach. In addition to our corporate finance activities, we have developed a data base on the industry which acts as a key source of comparative information for all persons involved with cable, including the major lenders. We have testified before federal and state regulatory commission on behalf of the industry and conduct financial seminars that are geared to educating cable operators about the sources and various types of financing that are available. The investment banking unit of WPB in New York serves the financial needs of the larger MSO's as an agent or manager for debt and equity issues and as a consultant for project evaluations and negotiations. It assists regulatory bodies in legislative matters that involve financial considerations and aids corporations in regulatory matters. The various activities mentioned above are evidence that WPB has made a major committment to CATV industry ad because of it, the company is recognized as the leading investment banking firm serving the industry.

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